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SUBJECT: READOUT OF AUGUST STRATEGIC COOPERATION  
CONSULTATIVE GROUP

Classified By: PM/RSAT DIRECTOR DAVID BAME FOR REASON 1.4(B)AND(D)

¶1. (C) SUMMARY: A/S Mark Kimmitt and DAS/D Dan Fata co-chaired the fifth formal meeting of the bilateral Strategic Cooperation Consultative Group (SCCG) in Washington, DC on 26 August. Topics discussed included updates on Polish LORs submitted in mid-August, the status of SOFA negotiations, and agreement to move forward on a DoD-funded study of Poland's C4ISR requirements. The first meeting of the Integrated Air/Missile Defense Working Group (IAMDWG), was convened, and issues related to a timeline for delivery of Polish purchased Patriot missiles was discussed. The finance working group discussed options the Poles to pursue in financing the estimated \$70 Billion price tag for modernization. Finally, the possibility of a Reciprocal Defense Procurement MOU was discussed. Polish MoD U/S Komarowski left pleased with DoD assurances we were working to expedite Polish Letters of Request for Pricing and Availability (P&A) for communications and air defense equipment. END SUMMARY

#### THE NEED FOR SPEED ON LETTERS OF REQUEST, SOFA

¶2. (C) GOP officials remained anxious for the completion of the Pricing and Availability data for Letters of Request (LORs) submitted in mid-August. OSD and DSCA representatives promised to expedite those requests without undercutting necessary steps. GOP officials also said they will be submitting a second set of 16 additional LORs in September. DSCA advised that LORs are worked in no specific order unless a priority is specified. GOP officials said their priorities for these LORs lay in the area of C4ISR, including communications security and sensor equipment. DSCA also advised that the intensity of work for 16 LORs at one time meant P&A data for all 16 cases might be provided within the normal 45-60 day window.

¶3. (C) Update on SOFA Talks: U/S Komorowski made clear that both the SOFA and BMDA will need to be submitted at the same time in order for them to be ratified by the Polish Parliament. SOFA talks would likely occur in Washington in September. MFA and MoD both concerned that we have a "serious" team, ready to go. Over lunch, MFA title Poznanski and MoD J-5 BG Gocul noted the effective working relationship between U.S. and Polish lawyers during final BMD rounds and recalled the side-bar compromise that was accepted by negotiators. They hoped the same could occur in SOFA discussions.

¶4. (C) C4ISR Study: OSD renewed its July offer to undertake and fund a C4ISR Study, which is key for communications modernization. Polish J-5 BG Gocul accepted the proposal, with some minor questions to be worked out in the coming weeks. Estimated completion date of the study is February ¶2009. While the GOP initially expressed hesitation about the study, they quickly agreed to it once they learned about its

methodology and that OSD would fund it.

#### WORKING GROUP REPORTS

15. (C) Integrated Air/Missile Defense Working Group (IAMDWG): The IAMDWG began with a well-received briefing on the Patriot system's capabilities. SCCG principals agreed that the IAMDWG would take the lead on the 2012 Patriot battery deployment. The IAMDWG spent most of its time on Polish Letters of Request (LORs) for Pricing and Availability (P&A) on Patriot. OSD made clear that the USG would do everything possible to expedite Pricing and Availability preparation for the original six LORs -- which will include necessary defense trade reviews -- in the next 60 days. The Patriot LOR would likely require extra time. In order to ensure full understanding of GOP requirements and to help expedite data preparation, OSD Director and U.S. IAMDWG chair Todd Harvey offered a visit by U.S. Army representatives to Warsaw to resolve any outstanding technical questions. DSCA made clear that the next IAMDWG meeting to present P&A data could take several days of expert level discussion. Once P&A data was available, both

sides would look to presentation of the data to the IAMDWG around the end of October. After that, the GOP would submit Letters of Request (LORs) to purchase the items and systems. DSCA emphasized that the LORs must identify a funding source.

Once an LOR is received, DSCA briefed that it typically takes 120 days to prepare an FMS case. Once an FMS case is offered, Poland would have about 60 days to accept the case. Once the case is signed and implemented, contracting and production lead-times determine how quickly the assets/systems can be provided. For Patriot, the estimated production lead-time is 40 months from contract award. Taking lead-times and the Congressional calendar into account, 2013 is likely the earliest Poland could receive Patriot. GOP officials asked for more information in the coming weeks on potential ways to expedite the process.

19. (C) Finance Working Group (FWG): GOP officials reiterated the priority they placed on these issues in light of the estimated \$70B price tag for modernization over next 10 years. U.S. FWG lead David Bame reiterated previous USG-GOP public and private agreement that Poland must pay for most of its military modernization costs, but GOP officials also asked about potential increases in FMF and other USG security assistance. Bame reiterated U.S. commitment to current assistance levels and to "substantial" future assistance, as described in the August 20 Declaration on Strategic Cooperation, but also noted the role of the next Administration/Congress. Four funding options were discussed: 1) Polish national funds from GOP defense budget; 2) Foreign Military Financing; 3) Commercial loans; 4) Direct loans. The Poles noted they would require significant FMF support, and inquired about the possibility of leasing--U.S. would buy, then lease to Poles. USG officials made clear that the USG cannot lease new systems; only items no longer needed for USG inventory. USG officials again reiterated commitments to support modernization, but noted the slim possibilities of any increase in FMF in 2008 and reaffirmed that Polish national funds will have to provide the bulk of modernization costs.

110. (C) Interim Patriot Deployments: The U.S. agreed to send a EUCOM team to look at more details for a rotational Patriot deployment. The Poles expressed urgency to arrive at implementing agreements, while agreeing that the arrangements will be governed by a supplemental SOFA. Komarowski expressed interest in how the Patriot battery would reinforce Polish air defense, leading to a discussion regarding the mission of Patriot battery. Komorowski made clear that the mission should be to increase the security of Poland. A/S Kimmitt agreed, but said technical and other details would need to be addressed by the EUCOM team and other experts.

Reciprocal Defense Procurement (RDP) MOU: 11. (C) SAF/IA's Grace Washburn described how an RDP MOU would establish a special procurement relationship between Poland and the United States. The U.S. has 21 RDPs, with the most recent

negotiated with Australia in 1995. Once the MOU is in place, customs and duties are waived; making the partner country a more viable partner for defense trade. In the case of Poland, this arrangement would apply to its supplies of specialty metals. GOP officials agreed to pursue obtaining authority to negotiate the MOU, and acknowledged that a requirement of the RDP MOU is that deals under it must be attractive to U.S. industry.

LOOKING AHEAD.

¶12. (C) Future of SCCG, HDLG, and Strategic Dialogue: Kimmitt, Fata and Komorowski agreed that these three channels for cooperation required careful attention so as to avoid duplication. Both sides discussed options, including possibly folding the SCCG into the Strategic Dialogue while keeping HDLG on a separate track. MFA DG Poznanski said he would talk to America desk and other MFA colleagues about how these issues related to the next meeting of the bilateral Strategic Dialogue. Komarowski initially suggested a SCCG meeting in October to encourage further progress and expedite work on the P&A data. He also suggested review of how the "evolving threat" involving Russiaaffected Poland's security interests. A/S Kimmitt thought October might be too soon in light of the five key areas of discussion at this SCCG: (fill in). He proposed holding the next meeting in November, while both sides strongly encouraged working level groups to meet sooner. Komorowski indicated that former Polish Ambassador to the U.S. Przemyslaw Grudzinski will replace U/S Witold Waszczykowski as the new MFA U/S for Security Affairs. Komorowski said U/S Grudzinski would chair the next SCCG meeting, but Komorowski would also attend.  
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